



RHODE ISLAND FED

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THREE CASES NET \$3,000,000 IN FORFEITED ASSETS

Upwards of \$3,000,000 worth of assets is being forfeited to the federal government — and most of it will go to state and local police departments — as a result of three recent cases in which the criminals used their property to facilitate their crimes or obtained property with criminal profits.

Under federal law, assets that are used in the commission of certain crimes, such as drug dealing, money laundering, and fraud, are subject to forfeiture. Assets obtained with the proceeds of criminal activity can also be forfeited. Forfeitable assets can include cars used to transport drugs, homes that are used as a base for drug trafficking, and illegally obtained cash that criminals stash.

Auto Dealer Forfeits Cars, Real Estate, and Cash

Renato Garcia, who ran Renskip Motor Sales in Westerly, helped a purported drug dealer launder money by selling cars for cash and evading federal reporting requirements. To assist law enforcement in tracking illegal activity, every cash transaction over \$10,000 has to be reported to the U.S. Treasury. Garcia sold three cars at prices ranging from \$15,000 to \$17,500 but recorded each transaction as less than \$10,000. That's known as "structuring," which is a form of money laundering. Garcia also gave the car buyer tips on building secret compartments in which to stash drugs. Garcia was sentenced to 42 months in prison and was ordered to forfeit his dealership, the 44 vehicles in its inventory, two parcels of real estate on Main Street, Westerly, and \$414,000 found at his house and in a bank account. The total value of the forfeited assets could be more than \$1,000,000. *First Assistant U.S. Attorney Kenneth P. Madden; Assistant U.S. Attorneys Stephen G. Dambruch and Michael P. Iannotti*



Some of the 44 cars seized from
Renskip Motor Sales

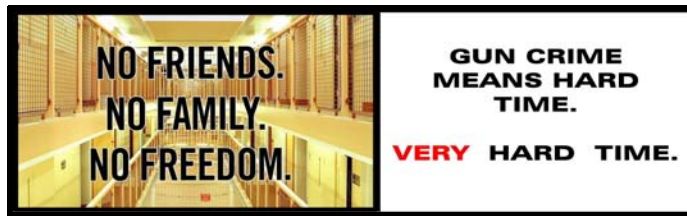
Dermatologist Loses NYC Apartment

In another case, the First Circuit Court of Appeals upheld the forfeiture of a New York dermatologist's apartment. **Marvin Heldeman** gave body builders medically unnecessary prescriptions for steroids and pain killers. In exchange, they provided favors to Heldeman, including posing for him in his apartment on the West Side of Manhattan. Heldeman pleaded guilty to drug trafficking and health care fraud. Because of a recent Supreme Court decision, his 46-month prison sentence is under review, but the First Circuit rebuffed his appeal of the forfeiture of the apartment. The Court held that there was ample connection between the apartment and Heldeman's criminal activity. When the case was charged in 2003, Heldeman's apartment on West 70th Street was valued at about \$1,000,000 but skyrocketing real estate prices in Manhattan have no doubt increased its value substantially. *Assistant U.S. Attorneys Luis M. Matos and Michael P. Iannotti*

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If you have any questions about asset forfeiture or equitable sharing, please call Assistant U.S. Attorney Michael P. Iannotti at 709-5063.

FEDERAL GUN CASES



PROJECT SAFE NEIGHBORHOODS RHODE ISLAND

200 Months For An Armed Career Criminal

Luis Lorian bolted from a station wagon after Providence Patrolman David Moscarelli signaled for it to pull over. Officer Moscarelli chased Lorian on foot and saw him toss away a handgun. Lorian, with three prior drug-trafficking convictions on his record, qualified as an *Armed Career Criminal* and was sentenced to 200 months in federal prison. *Assistant U.S. Attorney Stephen G. Dambruch*

15 Years For An Armed Career Criminal

When **Gary Ross** spotted two Providence detectives watching him from an unmarked cruiser, he ran and tossed away a gun. The detectives arrested him and retrieved the gun. An *Armed Career Criminal* with several convictions for drug trafficking and robbery, Ross was sentenced to 15 years in federal prison. *Assistant U.S. Attorney Terrence P. Donnelly*

20 Years for Armed Career Criminal

Alberto Rodriguez fled from a car that Providence Police were pursuing and tossed away a gun. Convicted at trial of being a felon in possession of a firearm, Rodriguez was sentenced to 20 years in prison as an *Armed Career Criminal*. His prior convictions include assault with a dangerous weapon, firearms offenses, and drug trafficking. *Assistant U.S. Attorney Richard W. Rose*

15 Years In Prison For Gun-Wielding Assailant

Matthew Jones wielded a gun and assaulted a Woonsocket woman during a dispute at her front door. The woman fought back, kicked Jones, and called 911. Woonsocket Police officers found Jones lying nearby on the ground, a .40 caliber pistol, a magazine cartridge, and four rounds of ammunition hidden near him. They also found about five grams of

crack cocaine in one of his pockets. Jones, whose violent felony record includes rape convictions, was sentenced to 15 years in prison—the ten-year maximum for being a felon in possession of a firearm and five additional years for the crack cocaine. *Assistant U.S. Attorney Richard W. Rose*

Ten Years For Felon In Possession

In the course of an investigation into a series of robberies, State Police and the Fugitive Task Force found a gun stashed underneath a bed where **Peter Silver** was staying. Silver has prior convictions for robbery and firearms offenses and was sentenced to 10 years in prison - the maximum for being a felon in possession of a firearm. *Assistant U.S. Attorney Peter F. Neronha*

“Am I Going Federal?”

Shah McKenney evidently knows about Project Safe Neighborhoods. Providence Police followed McKenney’s car into a gas station. He fled, first in the car and then on foot before being tackled. He shouted, “Am I going federal?” - and that tipped the officers off to a gun, which they found in McKenney’s car. McKenney pleaded guilty to being a felon in possession of a firearm. *Assistant U.S. Attorney Gerard B. Sullivan*

Five Year Sentence For Police Substation Shooter

Providence detectives found a gun in the basement of **Dara Veng’s** residence. Ballistics tests subsequently matched that gun to one used to fire 22 shots at the Providence Police Mount Hope substation. Veng, who has prior felonies, was sentenced to five years in federal prison for being a felon in possession of a firearm. *Assistant U.S. Attorney Adi Goldstein*

AN ARMED
FELON WITH
THREE OR
MORE PRIOR
VIOLENT
FELONIES OR
SERIOUS
DRUG -
TRAFFICKING
OFFENSES IS
AN
ARMED
CAREER
CRIMINAL
AND IS
SUBJECT TO
AT LEAST 15
YEARS IN
FEDERAL
PRISON



CRIMINAL DOCKET SHEET

FRAUD

Fraudulent Check Scheme

Mbuyama Tshibaka cheated banks with about \$150,000 in fraudulent checks. Tshibaka recruited young women with promises of modeling or other career opportunities. After gaining their confidence, Tshibaka induced the women to open bank accounts and gave them fraudulent checks to deposit. The accomplices withdrew cash against the checks before the bank realized that they were fraudulent and gave him the cash. One group of fraudulent checks belonged to a salesman whose checkbook was stolen at a department store in Baltimore. Others were counterfeit cashiers checks written against the funds of a Wisconsin woman. A jury found Tshibaka guilty of bank fraud and he was sentenced to 42 months in federal prison. *Assistant U.S. Attorney Terrence P. Donnelly*

Tax Fraud Committed In Art Sales

A federal jury found **Rocco D. DeSimone** guilty of filing a false tax return after he brokered the sale of three paintings for a total of \$8.3 million. Working with different owners, DeSimone found buyers for "Canal at Zaan-dam," by Claude Monet, "Les Mouettes," by Henri Matisse, and "Jeune Fille Blonde," by Pierre Auguste Renoir. DeSimone told the owner of the Monet that he'd sold it for only \$2.7 million, when he'd actually sold it for about \$4.65 million. DeSimone kept about \$1.7 million of the difference for himself. On his tax return, he falsely claimed some of that income as long-term capital gains rather than ordinary income and avoided paying about \$420,000 in taxes. The jury found DeSimone not guilty of defrauding the painter's owner. *Assistant U.S. Attorneys Luis M. Matos and Dulce Donovan*

15 Years In Prison For Investment Fraud

A federal judge has sentenced investment advisor **Dennis Herula** to 15 years in federal prison for fraud schemes based in Rhode Island and Colorado. As reported in the last issue of *RI Fed*, while working at Raymond James in Cranston, Herula bilked a Canadian syndicate and a Louisiana couple out of millions of dollars that he was supposed to invest but instead used to support a lavish lifestyle for himself and his wife. They used investors' money to buy homes in Watch Hill and in Tiburon, California, a \$200,000 Bentley, and a 13.56 karat diamond ring. The Canadian syndicate lost \$12.5 million and the Louisiana couple about \$1,000,000. The sentencing judge in Colorado also ordered Herula to pay \$14,824,933.43 in restitution to his Colorado and Rhode Island victims. *Assistant U.S. Attorney Dulce Donovan*

CIVIL DOCKET SHEET

AFFIRMATIVE CIVIL ENFORCEMENT (ACE)

Doctor Pays \$200,000 To Settle Fraudulent Medicare Claims

Gaetano Calise, a podiatrist who treated patients in nursing homes, paid the government \$200,000 to settle claims that he fraudulently billed Medicare. The government contended that Calise misrepresented the nature of treatments, billed for treatments not covered by Medicare, and filed claims with Medicare for services that he had not provided. As a condition of his settlement, Calise is permanently barred from participating in all federal health care programs, including Medicare and Medicaid. The case is one of many health care matters prosecuted as part of the **Affirmative Civil Enforcement (ACE)** program, through which the U.S. Attorney seeks to recover money fraudulently obtained from the government. *Assistant U.S. Attorney Lisa Dinerman*

WHAT'S GOOD ABOUT THE PATRIOT ACT?

U.S. ATTORNEY ROBERT CLARK CORRENTE

Comic Marty Feldman once did a skit in which he portrayed a neurotic life insurance customer, torturing the salesman with a series of far-fetched hypothetical circumstances to test the extent of the proposed insurance coverage. When told that he would not be covered if he were kidnapped by pirates ad locked in a tin box with a porcupine, he stormed out.

So it goes with the debate about the Patriot Act, which is the subject of Congressional hearings over sections of the law that are due to expire this year. Much of the public discussion has become preoccupied with imaginary things that are not actually in the Act, creating widespread misconceptions about it.

Criticism of the Patriot Act is virtually all hypothetical. Attorney General Gonzales said that the Department of Justice had been unable to confirm a single instance in which the Act had infringed on anyone's civil liberties. Senator Diane Feinstein of California, a frequent critic of the Act, has said that not a single abuse of the Act had been reported to her and that the ACLU could not confirm for her staff any instance of abuse.

Most of the criticism has focused on Sections 213 and 215 of the Act. Section 213 allows for the use of delayed-notification search warrants. Critics envision hordes of federal agents unleashed by the Patriot Act to secretly tromp through out homes and rummage for evidence. In fact, delayed-notification search warrants have been used in criminal investigations for decades in instances when investigators could demonstrate to a judge that providing immediate notice would pose a threat to someone's safety or to the investigation. One was used in Rhode Island in the 1991 money laundering investigation of Stephen Saccoccia. Moreover, this section has been used in *less than one-fifth of one percent* of all search warrants obtained since the Patriot Act was passed. In every

case, the Department made a proper showing of cause to the Court.

The level of misinformation is even worse about Section 215, the so-called library records provision, and history shows how misguided the criticism is. Since the Act was passed, it has never been used to collect library records — or bookstore records — or medical records. Not once. It has been used a total of 35 times, to seek driver's license records, public accommodations records, apartment leasing records, credit card records, and subscriber information.

This power to collect records under Section 215 is actually narrower than the power criminal investigators have used for generations — the grand jury subpoena. Unlike a grand jury subpoena, which does not require court review, a judge must approve a 215 order.

The Patriot Act made a number of important and sensible improvements in the rules that govern intelligence investigations. First, it broke down "The Wall" that had prohibited the sharing of information between criminal investigators and intelligence personnel. For example, a federal prosecutor told Congress about a criminal investigation of Usama Bin Laden in 1996 and described how he could talk to police officers and even to al-Qaeda members, but *not* to the FBI agents across the street who were involved in an intelligence investigation of Bin Laden.

The ability to share information has been critical to the dismantling of several terror cells, including ones in Portland, Oregon and Lackawanna, New York. No one has openly advocated rebuilding The Wall, but several of the information-sharing provisions of the Act are among those that are scheduled to expire this year.

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The Patriot Act also gave terrorism investigators many of the same tools that criminal investigators had been using for years, such as use of the federal wiretap statute. Importantly, a wiretap may only be used *after* a federal judge has found probable cause.

Several provisions of the Patriot Act addressed advances in technology and mobility. For example, one provision allows a federal judge to issue search warrants for evidence in multiple districts. Previously, investigators had to bring a separate application in each district, which made investigations slower and more expensive.

As we follow the Congressional hearings over the Patriot Act, it's important to separate the hypothetical from the historical. None of us needs to be reminded of what we are up against in the war on terror, and all of us want those engaged in the fight to have the proper tools. The Patriot Act has gone a long way toward reaching that goal and, remarkably, it has done so with no discernible harm to our civil liberties. It makes no sense to dismantle it now. We have enough real threats to address without worrying about porcupines in tin boxes.

About 90 police officers from Providence and other communities attended a two-day training seminar on firearms issues sponsored by Providence Police Department. ATF trainer Richard Hobson discussed techniques to recognize individuals who might be carrying guns.

“These are tried and true techniques that law enforcement officers have developed over the years to help us arrest and prosecute firearms offenders and to enhance the safety of the community,” said Mr. Hobson, a retired Washington, D.C., police detective.

Police officers and prosecutors also discussed investigative procedures and legal issues involved in gun cases.

“There can never be enough training for our officers,” said Providence Police Chief Dean Esserman. “When the men and women of this department go out on the street, I want them to be equipped with the latest information and techniques to help them do their jobs.”



Providence Police Officer Katch Kazundjian
and ATF Trainer Richard Hobson

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NEWPORT POLICE DEPARTMENT

Friday, June 17, 1:00 PM

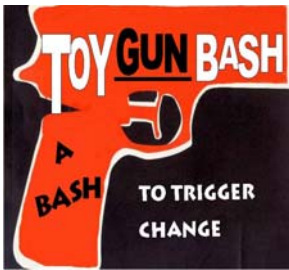
Federal White Collar Crimes

(for information, contact Tom Connell at 709-5032)

Operation Weed & Seed is a Department of Justice initiative that unites community residents in their efforts to prevent, control and reduce crime in their neighborhoods and helps seed community revitalization.

WEED & SEED PARTNERS AT WORK

TOY GUN BASH IN CENTRAL FALLS



About 300 children showed up at the Calcutt Middle School in Central Falls on April 2nd to dump their toy guns in the Bash-

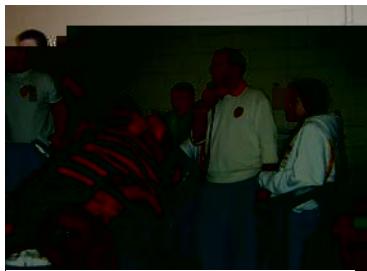
O-Matic and receive another toy in exchange.

The Central Falls Toy Gun Bash was one of several that have been held around the state in the past two years. Devised by the Attorney General's Community Prosecution Unit, the Toy Gun Bash is designed to raise awareness in children about gun violence and create a positive experience that also discourages using toy guns.

With Central Falls Mayor Charles Moureau and Central Falls Police officers on hand, U.S. Attorney Robert Clark Corrente and Attorney General Patrick Lynch steered the participants to

the Bash-O-Matic.

Sponsors of the event included the Attorney General's Office, the U.S. Attorney's Office, Project Safe Neighborhoods, City of Central Falls, Channel One-CF, New England Technical College, Hot 106 FM, Cox Communications, 88.1 FM, RI Justice Assistance, Central Falls Police and Fire Departments, RI Crime Prevention Assoc., ChiPs, Wake Up Productions, Central Falls Juvenile Hearing Board, RI Double-Dutch League, Symmetry Development and Pop Kitchen.



Attorney General Lynch and U.S. Attorney Corrente at the Toy Gun Bash

For more information about the Toy Gun Bash or to schedule one, contact Gale James at the U.S. Attorney's Office, 709-5023, or Jim Baum in the RI Attorney General's Office, 274-4400



VICTIMS' RIGHTS CEREMONY MARKS 25TH ANNIVERSARY

This year marked the Silver Anniversary of National Crime Victims' Rights Week. In honor of the 25th Anniversary, the Crime Victims Service Providers Steering Committee hosted a ceremony in the Victims Memorial Grove, which is on South Main Street near the Providence County Superior Courthouse. Speakers included Mayor David Cicilline, Attorney General Patrick Lynch, General Treasurer Paul Tavares, and U.S. Attorney Robert Clark Corrente, who spoke of the advances made in the last two decades in ensuring victims' rights in the judicial process. Attorney General Lynch presented citations to three victims' rights volunteer workers: Fran Bolarinho, a volunteer at the Sexual Assault and Trauma Resource Center, Jackie Ondis, who volunteers at Elizabeth Buffam Chase House, and Lori Nunes, who lost her son in an automobile crash. Ms. Nunes spoke of her tragic loss and how she was able to turn the tragedy into something positive by creating a foundation in memory of her son.



Justice Isn't Served Until Crime Victims Are

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Narcotics	Mary E. Rogers
Anti-Terrorism	Lee Vilker
	John J. Enright
Victim Assistance	Gale E. James
Public Information	Thomas M. Connell

IN MEMORIAM



**Detective Sgt James L. Allen
killed in the line of duty,
April 17, 2004
(photo courtesy of
Providence Police Department)**

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